COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES WASHINGTON, DC 20515

May 8, 2018

Members of Congress United States House of Representatives United States Capitol Building Washington, DC 20515

Dear Members of Congress:

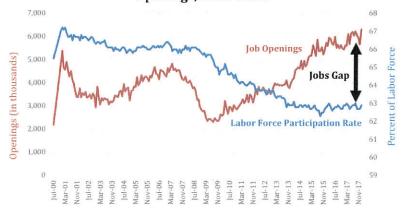
As our economy continues to strengthen following the enactment of the *Tax Cuts and Jobs Act*, employers' demand for workers is growing and our human services programs can play an important role in supporting the next wave of workers needed to continue this economic growth.

The Wall Street Journal <u>reported</u> if every last jobless citizen in the 12 Midwestern states filled an open job in the region, 180,000 positions would still be left unfilled.

What do employers and job openings have to do with the programs under the Human Resources Subcommittee of the Committee on Ways and Means? A lot actually.

To address this, the Human Resources Subcommittee has been focused on <u>Jobs and Opportunity</u>, concentrating specifically on the jobs gap – the difference between employers' demand for workers, shown as job openings, and the declining number of individuals in the workforce, shown as the labor force participation rate. Addressing the jobs gap is about accessing economic growth and opportunity for those on the sidelines of the American workforce.

The "Jobs Gap"
Labor Force Participation Rate and Total Job
Openings, 2000-2018



We know when individuals and parents work full-time, the poverty rate drops to just 3 percent. We know when workers are matched to employers, with the support of programs under this subcommittee--such as child care, case management, and transportation--greater economic opportunity, and the American Dream, can become a reality for more Americans.

As lawmakers, we have the responsibility to make real change for the American people and the American economy to begin to address this issue. With Temporary Assistance for Needy Families (TANF), the nation's cash welfare and services, program set to expire in September, we have an opportunity and must not stand down from our responsibility to reauthorize and improve this program and provide certainty to families, states, and taxpayers.

Today I am releasing draft legislation to initiate a larger discussion of how our country should move forward to help more Americans enter and remain in the workforce. This draft legislation does four things:

- 1. Expects universal engagement and case management to connect with the needs of struggling families.
- 2. Measures work outcomes to hold states accountable for the intended purpose of the program.
- 3. Re-focuses TANF dollars on the truly needy, both in its allocation of funds to states and spending on truly needy families, where funds are needed most.
- 4. Uses funds to support work allowing States greater flexibility in customizing work or work preparation activities to fit an individual's needs for success.

Overall it strengthens program accountability, transparency, and oversight of federal dollars.

We know TANF is not living up to the expectations set for it. We have the start of a proposal to fix it, and my hope is my colleagues on both sides of the aisle will not shy away from engaging to strengthen this draft legislation.

I encourage you to review the draft and other materials, which can be found at <u>waysandmeans.house.gov</u>, and connect with the Human Resources Subcommittee with your ideas and suggestions by **Tuesday**, **May 15**th as we prepare to move forward on this important matter.

We know TANF can help address the jobs gap. Now let's do something about it together.

Sincerely,

Adrian Smith

Chairman

Subcommittee on Human Resources

Committee on Ways and Means